

DEPARTMENT OF THE NAVY  
NAVAL AIR SYSTEMS COMMAND, PATUXENT RIVER, MD 20670-1547  
NAVAL SEA SYSTEMS COMMAND, WASHINGTON NAVY YARD, DC 20376-4065  
NAVAL SUPPLY SYSTEMS COMMAND, MECHANICSBURG, PA 17055-0791  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND, SAN DIEGO, CA 92110-3127

SPAWAR  
5400  
Ser 00/299  
21 Jul 03  
NAVSEA  
5400  
Ser 00/107  
28 JUN 2003

NAVSUP  
5400  
Ser 00/  
28 JUN 2003  
NAVAIR  
5400  
Ser 00/  
28 JUN 2002

VIRTUAL SYSCOM MEMORANDUM OF AGREEMENT - VS-MOA-03  
BETWEEN

NAVAL AIR SYSTEMS COMMAND,  
NAVAL SEA SYSTEMS COMMAND,  
NAVAL SUPPLY SYSTEMS COMMAND,  
SPACE AND NAVAL WARFARE SYSTEMS COMMAND

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

Encl: (1) Performance Metrics and Service Level Expectations  
(2) Resource Requirements

Ref: (a) Virtual SYSCOM MOA, VS-MOA-01, of 24 May 2002

1. Purpose. This Memorandum provides agreement between the Commander, Naval Sea Systems Command (NAVSEA), and the Commander, Naval Supply Systems Command (COMNAVSUP), regarding the realignment of OPN-8, WPN-6 and SCN Spares specific tasks among NAVSEA Washington, DC, Naval Inventory Control Point, Mechanicsburg, PA (NAVICP-M) and Fleet and Industrial Supply Center (FISC) Puget Sound, in response to reference (a).

2. Scope. NAVICP-M will perform specific tasks in support of NAVSEA's role as the Navy's Budget Submitting Office (BSO) concerning the management oversight, programming, budgeting, execution, and accounting for funds in the Other Procurement, Navy, 8 (OPN-8) and Weapons Procurement, Navy, 6 (WPN-6) accounts for Outfitting. This agreement also includes the execution of Shipbuilding and Conversion, Navy, (SCN) Outfitting for Government Furnished Material (GFM) requisitions. Only the specific tasks detailed herein are covered by this agreement.

3. Agreement. NAVSEA and NAVICP-M agree that this realignment of tasks does not meet the Title 5, 351.203, definition of a Transfer of Function; nor a Transfer of Work.

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

4. Changes. Any changes to this MOA will require a 30-day written notice by either party, and will be in the form of jointly approved amendments.

5. Effective Date. The proposed effective date of this agreement will be 1 October 2003 or earlier. The realignment of tasks will only be authorized after NAVICP-M demonstrates the capability to perform the specific tasks cited herein.

6. Roles and Responsibilities. This MOA addresses the roles and relationships between NAVSEA and NAVICP-M in regards to the management oversight, programming, budgeting, execution, and funds administration of NAVSEA's OPN-8 and WPN-6 spares funding, as well as the processing of OPN-8 Outfitting Spares and SCN Outfitting GFM requisitions. As the Navy BSO for OPN-8 (Subhead 88JC), WPN-6 (Subhead 86JC), and SCN Outfitting GFM accounts, NAVSEA retains the overall ownership, management, and review oversight responsibilities for these accounts. NAVICP-M performs the workload as detailed in this document, and as negotiated with individual Program Executive Offices (PEOs), in support of the programming/assessment, budgeting, and execution of spares accounts. Within NAVSEA, this function is carried out by the Outfitting and Material Support Division Director (NAVSEA 04L4) as part of the overall responsibilities of the Assistant Deputy Commander, Fleet Logistics Support (NAVSEA 04L). After NAVICP-M has demonstrated full capability to satisfy Fleet and NAVSEA requirements, NAVICP-M will serve as NAVSEA's Outfitting Funds Administrator responsible for execution and funds accounting for all OPN-8 Outfitting and SCN Outfitting GFM requisitions. NAVICP-M will be held to the performance metrics and service level expectations provided in enclosure (1).

a. NAVSEA. NAVSEA 04L4, as NAVSEA's Requiring Financial Manager (RFM) and the Fleet's Spares Advocate, is responsible for the final review and approval of all actions associated with programming, coordinating, budgeting, justifying, defending and executing requirements for OPN-8, WPN-6, and SCN Outfitting Spares requisitions. These responsibilities include but are not limited to:

(1) Management Oversight

(a) Reviewing, analyzing, and approving all OPN 8 and WPN-6 Spares account budget submissions from NAVICP-M to NAVSEA (Budget Submitting Office).

(b) Participating in significant management decisions regarding OPN-8, WPN-6 and SCN Outfitting GFM issues among interested parties, including: NAVSEA, NAVSEA affiliated PEOs/Program Managers (PMs)/PARMs, Fleet Commanders, other SYSCOMs, NAVICP-M, OPNAV Resource Sponsors (N096, N2, N4, N61, N7, N75, N76, N77, N78), OPNAV N412 (Spares Assessment Sponsor), NAVSUP, and NAVSEALOGCEN.

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

(c) Acting as the manager and funding coordinator for information technology systems such as Program Support Data (PSD) Automated Reporting and Tracking System (PARTS); Automated COSAL Tracking System (ACTS); Outfitting Requisition, Control and Accounting System (ORCAS); Budget Planning System (BPS); and Interactive Computer Aided Provisioning System (ICAPS) that support the OPN-8, WPN-6, and SCN Outfitting requirements determination, budget, and execution processes. Regarding ORCAS implementation, the following will apply: ORCAS program change decisions, occurring prior to deployment, will be made in concert with NAVICP-M.

After ORCAS is deployed and stable, NAVSEA and NAVICP-M will negotiate the transfer of design and maintenance responsibility for ORCAS from NAVSEA to NAVICP-M.

Budgeting for the design and maintenance of these systems remains the responsibility of NAVSEA 04L4.

## (2) Programming and Spares Assessment

(a) Providing OPNAV N412 Capability Plans (CP) (formerly known as Program Objective Memorandum/Program Review [POM/PR] Baseline Assessment Memorandum [BAM] call letter and guidance to NAVICP-M in support of spares requirements determination.

(b) Reviewing and approving annual OPN-8 and WPN-6 requirements developed by NAVICP-M. Forwarding NAVSEA approved requirements to OPNAV N412 in support of the OPNAV N412 CP process.

(c) Participating in significant NAVICP-M briefings and reviewing and approving POM/PR/CP issue papers prepared by NAVICP-M for interested parties such as OPNAV Resource/Assessment Sponsors and Fleet/TYCOM representatives.

## (3) Budgeting

(a) Providing budget calls to NAVICP-M.

(b) Providing guidance to NAVICP-M on the allocation of available funds for approved requirements.

(c) Reviewing and approving budgets developed by NAVICP-M for the annual budget submissions to the Office of Budget/Fiscal Management (FMB), the Office of the Secretary of Defense (OSD), and Congress.

(d) Reviewing and approving reclaims prepared for budget marks, Program Budget Decisions (PBD), etc., and participating in selected budget briefings to upper management.

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

(4) Execution

(a) Approving allocation of funds in Standard Accounting and Reporting System - Headquarters (STARS-HQ).

(b) Approving OPN-8, WPN-6, and SCN Outfitting GFM account spending plans at the beginning of each fiscal year.

(c) Monitoring execution reports prepared by NAVICP-M to ensure OSD/FMB/NAVSEA obligation goals are achieved.

(d) Approving execution year realignments/ reallocations with NAVICP-M, PEOs/PMs, and NAVSEA 01.

(5) Funds Control

(a) Reviewing various financial management information reports to ensure NAVICP-M execution efforts are accurately reflected in the official accounting records.

(b) Providing guidance to NAVICP-M regarding changes in NAVSEA funds administration policies and procedures.

b. NAVICP-M. NAVICP-M, as the NAVSUP agent for NAVSEA 04L4, is responsible for workload aspects of the Navy's OPN-8 Outfitting Spares account, including requirements determination, programming, integrating, managing, budgeting, justifying, defending and executing requirements, and preparation and submission to NAVSEA of other OPN-8 and WPN-6 budget submissions described in this enclosure as well as the execution of SCN Outfitting GFM requisitions. These responsibilities include, but are not limited to:

(1) Management

(a) Managing, analyzing, and interpreting program and budget guidance issued by NAVSEA, and implementing the guidance for OPN-8 and WPN-6 Spares requirements determination, and SCN Outfitting GFM requisition execution. Planning, developing, administering, and coordinating with internal, external, and higher authorities the financial policies, procedures, requirements determination, programming, and budgeting activities for all OPN-8 and WPN-6 Spares and, in addition, OPN Outfitting and SCN Outfitting GFM execution.

(b) Notifying NAVSEA 04L4 of any spares related programming, budgeting or executing guidance received from other activities.

(c) Maintaining liaison with NAVSUP, NAVSEA, and FMB to ensure adequate support is provided from the Navy Working Capital Fund (NWCF) to Navy Maritime Outfitting programs; resolving financial

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

questions concerning NWCF as they relate to Outfitting Spares  
requirements and budgets.

(d) Coordinating with NAVSEA 04L4 when OPN Outfitting  
Spares issues are included during Navy logistics/ spares forums such  
as the Maritime Allowance Working Group (MAWG), Fleet Logistics  
Support Improvement Conference (FLSIC), and Navy's Spares Committee  
(SPARCOM) meetings.

## (2) Programming and Spares Assessment

(a) Coordinating all CP program reviews and schedules  
with NAVSEA 04L4, other NAVSEA directorates, the PEOs/PMs, and other  
Hardware SYSCOMs. Implement guidance from NAVSEA 04L4 regarding CP  
requirements.

(b) Collecting, analyzing and consolidating all OPN  
and WPN Spares funding requirements, and submitting to NAVSEA 04L4 for  
review and approval.

(c) Executing the NAVSEA programming and spares  
assessment guidance in support of OPNAV (N412) CP development,  
including developing schedules to ensure all CP milestones and  
requirements throughout the POM/PR/CP periods are addressed and  
adhered to, such as providing all detailed back-up book material by  
program/Resource Sponsor as requested by OPNAV (N41).

(d) Coordinating and preparing POM/PR/CP issue papers  
and briefings required for stakeholders such as OPNAV  
Resource/Assessment Sponsors and Fleet/TYCOM representatives. Papers  
and briefings are to be forwarded through NAVSEA 04L4.

## (3) Budgeting

(a) Managing and coordinating the budget process for  
the OPN and WPN Spares accounts, to include integrating and developing  
requirements, justification, assembly, defense, reclamation, and  
allocation.

(b) Coordinating OPN Outfitting Spares budget inputs  
with other SYSCOMs and NAVICP-M codes. Coordinating all Hardware  
Systems Command requirements, and backup material for OPN and WPN  
Initial/Vendor Direct Spares budgets.

(c) Preparing budget exhibits for OPN-8 and WPN-6  
Spares, submitting the combined Navy OPN-8 and WPN-6 budgets to NAVSEA  
04L4 and assist NAVSEA 04L4 in preparation for defending these  
requirements to higher levels, including NAVSEA 01, PEOs/PMs, FMB,

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

OSD/OMB, and the Congress (SAC Defense Subcommittee, HAC Surveys and  
Investigations, etc.).

(5) Execution

(a) Performing the NAVSEA Funds Administrator function  
for all OPN Outfitting and SCN Outfitting GFM spares requisitions.

(b) Participating in the reviews of OPN/WPN Spares  
related processes and forums such as Engineering Change Proposals  
(ECPs), Allowance Change Requests (ACRs), Readiness Based Sparing  
(RBS) Working Group Reprovisioning Gatekeeper, Navy SPARCOM, and Anti-  
Terrorism/Force Protection (AT/FP) reviews.

(c) Developing OPN-8, WPN-6, and SCN Outfitting  
GFM Account spending plans at the beginning of each fiscal year for  
NAVSEA 04L4 approval.

(d) Maintaining, analyzing, and evaluating funding  
reports and statistics necessary to assess execution performance,  
apprising NAVSEA and NAVSUP management of any projected impact on  
program priorities. Coordinating OPN-8 Outfitting execution issues,  
including semi-annual Fleet Outfitting prioritization process, with  
appropriate Fleet/TYCOM representatives.

(e) Preparing funding documents as necessary,  
interfacing with personnel as required at PEOs/PMs, other SYSCOMs, In-  
Service Engineering Activities (ISEAs), NAVSUP, U.S. Army, U.S. Air  
Force, Defense Logistics Agency (DLA), General Services Administration  
(GSA), and others.

(5) Funds Control. Tracking and monitoring commitments,  
obligations, and expenditures for all designated funds to ensure that  
the OPN-8 Spares Outfitting account meets the mid-year and end-of-year  
obligation benchmarks established by the Department of Defense  
Financial Management Regulation (FMR DoD 7000.14-R) and FMB guidance.

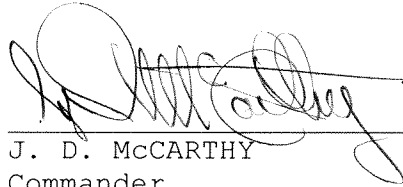
7. Measurement/Resources. Performance Metrics are included as  
enclosure (1) to this MOA. NAVICP-M, as NAVSUP's agent for NAVSEA  
04L4, is responsible for tracking and meeting these Performance  
Metrics and reporting status on a regular basis to NAVSEA and NAVSUP  
management. Resources to facilitate this MOA are outlined in  
enclosure (2).

Subj: REALIGNMENT OF OTHER PROCUREMENT, NAVY (OPN) 8; WEAPONS  
PROCUREMENT, NAVY (WPN) 6 AND SHIPBUILDING AND CONVERSION,  
NAVY (SCN) SPARES SPECIFIC TASKS

For the Virtual SYSCOM:



K. D. SLAGHT  
Commander  
Space and Naval Warfare  
Systems Command



J. D. McCARTHY  
Commander  
Naval Supply Systems Command



C. H. JOHNSTON, JR.  
Commander  
Naval Air Systems Command (Acting)



P. M. BALISLE  
Commander  
Naval Sea Systems Command

## Performance Metrics and Service Level Expectations

NAVICP-M agrees to the following performance and service level expectations:

A. Demonstrate the following capability:

1. Manipulate data received from SALTS, DAAS, Naval message, STARS, and DFAS.
2. Input and export data to/from ORCAS.
3. Process ORCAS exceptions.
4. Create and provide reports from ORCAS.
5. Establish NAVICP Code 87 as the Administrator for all matters concerning the Q COSAL or Propulsion Plant COSAL for nuclear powered ships.

B. Performance Metrics:

1. Meet Obligation, Expenditure and other applicable financial management standards and goals for OPN and SCN funds as set forth by the Navy Outfitting Program (NOP) Policies and Procedures Manual, Navy Outfitting Program and the DOD-FMR (Standard - 100%).
2. Balance ORCAS supply records with the official accounting system.
3. Process incoming MILSTRIP requisitions into ORCAS within 24 hours of receipt (supply and financial) (Standard - 95%).
4. Release outgoing MILSTRIP requisitions within 24 hours of generation by ORCAS (supply and financial) (Standard - 95%).
5. Ensure 97% of SCN GFM Outfitting Requirements are on board at delivery. Ensure 100% of all allowed Q COSAL or Propulsion Plant COSAL requirements for nuclear powered ships are on board prior to fast cruise.

C. Service Level Expectations\*:

1. Maintain a POC for Policy and Execution.
2. Procure and arrange for shipment of requirements not available from the DoD/Navy Supply System.
3. Staff and provide expertise for management of special requirements (e.g. AT/FP, USS Cole).
4. Provide simple MILSTRIP requisition correction for Fleet and SUPSHIP customers, contacting customers via Naval Message or telephone when additional data is needed.
5. Provide reports to NAVSEA and customers (Fleet, TYCOMs, etc.) as required.
6. Maintain a POC, for NAVSEA use, for the generation of data extracts and to respond to processing questions.
7. Respond to the Material Obligation Validation (MOV) program.
8. Reconcile fleet records (Material Outstanding Files) with ORCAS.

\* NAVICP Code 87 should perform these duties for all matters relating to Q COSAL or Propulsion Plant COSAL allowances for nuclear powered ships.



## Resource Requirements

NAVSEA Headquarters Contractors:	2 Man-years <sup>1)</sup>
- OPN/WPN Budget	
NAVSEA Field Contractor:	1 Man-year <sup>2)</sup>
FISC Puget Sound	\$459K <sup>3)</sup>
- Outfitting Execution	

### Notes:

1) NAVSEA Headquarters contractors will remain on-site within the Washington DC geographical area and will be under the direction of NAVICP-M, but will be directly funded by NAVSEA on a reimbursable basis.

2) NAVSEA Field contractor will be under the direction of NAVICP-M, but will be directly funded by NAVSEA on a reimbursable basis.

3) Funding the FISC Puget Sound Outfitting Execution will be provided on a reimbursable basis.